



QBE MARINE CARGO Insurance – Marine Open Cover POLICY

QBE INSURANCE (MALAYSIA) BERHAD welcomes you as a Policyholder and we take this opportunity to recommend that you thoroughly examine this Document which sets out the limitations and benefits of the insurance. Please store it in a safe place.

Should you have any query, please contact your Registered Agent/Broker or our QBE office, especially if the insurance is not completely in accordance with your intentions.

"WE WOULD REMIND YOU THAT YOU MUST DISCLOSE TO US, FULLY AND FAITHFULLY, THE FACTS YOU KNOW OR OUGHT TO KNOW, OTHERWISE YOU MAY NOT RECEIVE ANY BENEFITS FROM YOUR POLICY."

The benefit(s) payable under eligible certificate/policy/product is(are) protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact QBE Insurance (Malaysia) Berhad or PIDM (visit www.pidm.gov.my).

QBE MARINE CARGO INSURANCE – MARINE OPEN COVER POLICY

CONTENTS

A. THE COVER	2
PREAMBLE	2
1. COVERAGE	2
(I) INSTITUTE STANDARD CONDITIONS FOR CARGO CONTRACTS 01/04/1992	2
(II) INSTITUTE CLASSIFICATION CLAUSE 01/01/2001	3
(III) INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE 10/11/2003	4
(IV) INSTITUTE CYBER ATTACK EXCLUSION CLAUSE 10/11/2003	4
(V) TERMINATION OF TRANSIT CLAUSE (TERRORISM)	4
2. PERIOD OF INSURANCE	5
B. CONDITIONS	5
1. EVENT OF LOSS	5
2. REQUIREMENT FOR SURVEY	6
3. NOTIFICATION OF CLAIMS	6
4. STAMP DUTY CLAUSE	6
5. DUTY CLAUSE	6
6. AVOIDANCE OF DELAY	6
7. LAW AND PRACTICE	6

QBE MARINE CARGO INSURANCE – MARINE OPEN COVER POLICY

We, **QBE Insurance (Malaysia) Berhad** (hereinafter referred to as “Underwriters”), hereby agree, in consideration of the payment to us by or on behalf of the Insured of the premium specified in the Schedule, to insure against loss damage liability or expense in the manner hereinafter provided, by the terms of insurance and clauses shown and referred to below and overleaf.

NOW THIS POLICY WITNESSETH that we, the Underwriters take upon ourselves the burden of this Insurance and promise and bind ourselves to the Insured, their Executors, Administrators and Assigns for the true performance and fulfillment of the contract contained in this Policy in consideration of the person or persons effecting this Policy promising to pay a premium at and after the Rate to be agreed.

THIS INSURANCE IS SUBJECT TO ENGLISH LAW AND PRACTICE.

A. THE COVER

Preamble

We, QBE Insurance (Malaysia) Berhad (hereinafter referred to as “the Company”), hereby agree, in consideration of having paid or agreement to pay the pay to the Company, by or on behalf of the Assured, the premium specified in the Schedule, to insure against loss, damage, liability or expense in the manner hereinafter provided, by the terms of insurance and clauses shown and referred to below and overleaf.

1. Coverage

This Open Cover is issued subject to the Clauses and Conditions of the Company's Marine Cargo Policy Form in use at the time of shipment or despatch and to the Clauses and Conditions specified herein and attached hereto.

(i) Institute Standard Conditions For Cargo Contracts 01/04/1992

- a. This contract is to insure the interest insured as stated in the Schedule specified for the transits and on the conditions named shipped by or for account of the Assured as stated in the Schedule, or the insurance of which is under their control as selling or purchasing agent unless insured elsewhere prior to inception of this contract or to insurable interest being acquired.

This contract does not cover the interest of any other person, but this shall not prevent a transfer of the insurance by the Assured or Assignee.

- b. It is a condition of this Policy that the Assured is bound to declare hereunder every consignment without exception, the Company being bound to accept up to but not exceeding the amount specified in the Schedule per consignment or shipment.
- c. The contract is for an open amount in aggregate but the amount declarable may not exceed the sum as stated in the schedule, in respect of anyone vessel, aircraft or land conveyance.
- d. Notwithstanding anything to the contrary contained in this contract, the Company's liability in respect of anyone accident or series of accidents arising from the same event in anyone location shall not exceed the sum as stated in the Schedule, per location.
- e. In the event of loss accident or arrival before declaration of value it is agreed that the basis of valuation shall be the prime cost of the machinery, goods or merchandise plus the expenses of and incidental to shipping, the freight for which the Assured are liable, the charges of insurance and an uplift of a fixed percentage specifically stated in the Schedule, if such fixed uplift is to be insured.
- f. This contract is subject to the Institute Classification Clause and Institute Dangerous Drugs Clause.
- g. Should the risks of war, strikes, riots and civil commotions be included in the cover granted by this contract, the relevant Institute War Clauses and Institute Strikes Clause shall apply.

- h. The Institute Clauses referred to herein are those current at the inception of this contract but should such clauses be revised during the period of this contract, and provided that the Company shall have given at least 30 days notice thereof, then the revised Institute Clauses shall apply to risks attaching subsequent to the date of expiry of the said notice.
- i. This contract may be cancelled by either the Company or the Assured giving fourteen (14) days of notice in writing but risks covered by Institute War Clauses may be cancelled at seven (7) days notice and risks covered by the Institute Strikes Clauses may be cancelled at seven (7) days notice, or at forty-eight (48) hours notice in respect of shipments to or from the United States of America. Notice shall commence from midnight of the day when it is issued but cancellation shall not apply to any risks which have attached in accordance with the cover granted hereunder before the cancellation becomes effective.

(ii) Institute Classification Clause 01/01/2001

QUALIFYING VESSELS

1 This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried by mechanically self-propelled vessels of steel construction classed with a Classification Society which is:

- 1.1 a Member or Associate Member of the International Association of Classification Societies (IACS)*, or
- 1.2 a National Flag Society as defined in Clause 4 below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

Cargoes and/or interests carried by vessels not classed as above must be notified promptly to underwriters for rates and conditions to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable commercial market terms.

AGE LIMITATION

2 Cargoes and/or interests carried by Qualifying Vessels (as defined above) which exceed the following age limits will be insured on the policy or open cover conditions subject to an additional premium to be agreed.

Bulk or combination carriers over 10 years of age or other vessels over 15 years of age unless they:

- 2.1 have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age, or
- 2.2 were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

CRAFT CLAUSE

3 The requirements of this Clause do not apply to any craft used to load or unload the vessel within the port area.

NATIONAL FLAG SOCIETY

4 A National Flag Society is a Classification Society which is domiciled in the same country as the owner of the vessel in question which must also operate under the flag of that country.

PROMPT NOTICE

5 Where this insurance requires the assured to give prompt notice to the Underwriters, the right to cover is dependent upon compliance with that obligation.

LAW AND PRACTICE

6 This insurance is subject to English law and practice.

(iii) Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/2003

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
 - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

(iv) Institute Cyber Attack Exclusion Clause 10/11/2003

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

(v) Termination of Transit Clause (Terrorism)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

- 1 Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**
either
 - 1.1 As per the transit clauses contained within the Policy,
or
 - 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,

- 1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage other than in the ordinary course of transit or for allocation or distribution,
or
- 1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the oversea vessel at the final port of discharge,
- 1.5 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

- 2 If this Policy or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.

This clause is subject to English law and practice.

2. Period of Insurance

The cover granted under this Contract is for shipments, transits and consignments effected on or after Period of Cover as stated in the Schedule.

B. CONDITIONS

1. Event of Loss

In the event of loss or damage for which the Company may be liable, it is the duty of the Insured and their Agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimising a loss and to ensure that all rights against Carriers, Bailees or other third parties are properly preserved and exercised. In particular, the Insured or their Agents are required:

- a. To claim immediately on the Carriers, Port Authorities or other Bailees for any missing packages
- b. In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition
- c. When delivery is made by Container, to ensure that the Container and its seals are examined immediately by their responsible official. If the Container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
- d. To apply immediately for survey by Carriers' or other Bailees' Representatives if any loss or damage be apparent and claim on the Carriers or other Bailees for any actual loss or damage found at such survey
- e. To give notice in writing to the Carriers or other Bailees within 3 days of delivery if the loss or damage was not apparent at the time of taking delivery

Consignees or their Agents are to make themselves familiar with the Regulations of the Port Authority at the port of discharge.

The Assured or their Agents or Assignees are not to sign any Average Bond or to pay any deposit on account of General Average without first obtaining approval from the Company.

In the event of damage to, or loss of the interest insured under this contract, no claim will be admitted by the Company unless prompt notice be given to the Survey Agents named in the certificates, in respect of declarations made in terms of this Open Policy.

2. Requirement for Survey

In the event of loss or damage which may involve a claim under this insurance, immediate notice of such loss or damage must be given to and a Survey Report obtained from the Survey Agents approved by the Company.

3. Notification of Claims

To enable claims to be dealt with promptly, the Assured or their Agents must submit all available supporting documents without delay, including when applicable:

- i. Original policy or certificate of insurance
- ii. Original or copy shipping invoices, together with shipping specification and/or weight notes
- iii. Original Bill of Lading and/or other contract of carriage
- iv. Survey report or other documentary evidence to show the extent of the loss or damage
- v. Landing account and weight notes at final destination
- vi. Correspondence exchanged with the Carriers and other Parties regarding their liability for the loss or damage.

Failure to comply with any of these requirements will prejudice any claim under this Policy

4. Stamp Duty Clause

Please note this document may require to be stamped within a given period in order to conform with the laws of the country at destination. Holders are therefore advised to ascertain the amount of stamp duty that is required.

5. Duty Clause

In the event of duty being insured under this Policy and subsequent Certificates, it is warranted that no claim shall attach in respect of such duty unless duty is actually paid.

6. Avoidance of Delay

It is a condition of this insurance that the Assured shall act with reasonable dispatch in all circumstances within their control.

7. Law and Practice

In case of any lawful claim arising under this Policy, settlement thereof shall be made in conformity with the laws and customs of England. The insurance cover under this Policy is subject to English law and practice.

IMPORTANT NOTICE:

1. **You** need to read this **Policy** carefully, and if any error or incorrect description is found herein, or if the cover is not in accordance with your wishes, you should inform the **Company** immediately and return this **Policy** to the **Company** for alteration.
2. If you are not satisfied with the course of action taken by the **Company** or decision made by the **Company**, you may seek recourse through the **Company's** Complaints Management Unit and alternatively, may seek redress or assistance from the Financial Markets Ombudsman Service or approach Bank Negara Malaysia's Laman Informasi Nasihat dan Khidmat (LINK) addressed below:

A) COMPLAINTS MANAGEMENT UNIT

QBE INSURANCE (MALAYSIA) BERHAD

No. 638, Level 6, Block B1, Pusat Dagang Setia Jaya,
(Leisure Commerce Square),
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor
Tel: +603-7861 8400
Fax: +603-7873 7430

B) FINANCIAL MARKETS

OMBUDSMAN SERVICE

Company No: 200401025885
(formerly known as Ombudsman for Financial Services)
Level 14, Main Block,
Menara Takaful Malaysia,
No. 4, Jalan Sultan Sulaiman,
50000 Kuala Lumpur
Tel: +603-2272 2811

C) LAMAN INFORMASI NASIHAT DAN KHIDMAT (LINK)

Tingkat Bawah, Blok C
Bank Negara Malaysia
Peti Surat 10922
50929 Kuala Lumpur
Tel : 1-300-88-5465
Fax : +603-2174 1515

CONTACT DETAILS

QBE Insurance (Malaysia) Berhad

Reg. No.: 198701002415 (161086-D) Part of QBE Insurance Group
(Licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia)

No. 638, Level 6, Block B1, Leisure Commerce Square,
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya,
Postal Address P.O. Box 10637, 50720 Kuala Lumpur, MALAYSIA.
Phone: +603-7861 8400 Fax: +603-7873 7430
SST Reg No: B16-1808-31042744
www.qbe.com/my

Branch:

- Penang • Ipoh • Malacca • Johor Bahru
- Kuching • Kota Kinabalu • Sandakan